

The Honorable James L. Robart

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
SEATTLE DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

PATH AMERICA, LLC; PATH AMERICA
SNO CO LLC; PATH AMERICA FARMER'S
MARKET, LP; PATH AMERICA KING CO
LLC; PATH AMERICA TOWER, LP; PATH
TOWER SEATTLE, LP; POTOLA TOWER
SEATTLE, LLC; and LOBSANG DARGEY,

Defendants, and,

POTOLA SHORELINE, LLC; POTOLA
VILLAGE KIRKLAND, LLC; DARGEY
DEVELOPMENT, LLC; DARGEY
ENTERPRISES, LLC; PATH OTHELLO,
LLC; PATH FARMER'S MARKET, LLC; and
DARGEY HOLDINGS, LLC,

Relief Defendants.

Case No. 2:15-cv-01350-JLR

~~PROPOSED~~ ORDER APPROVING
RECEIVER'S RECOMMENDED
TREATMENT OF CLAIMS

NOTED ON MOTION CALENDAR:
DECEMBER 1, 2017

~~PROPOSED~~ ORDER

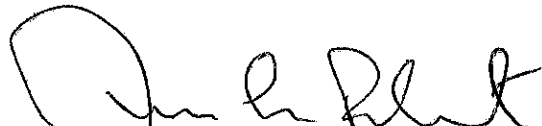
This matter came before the Court on the Receiver's Omnibus Motion Approving Receiver's Recommended Treatment of Claims ("Omnibus Claims Motion"), filed by Michael A. Grassmueck, Court-appointed receiver for Path America, LLC, et al. ("Receiver"). The Receiver

~~PROPOSED~~ ORDER APPROVING RECEIVER'S
RECOMMENDED TREATMENT OF CLAIMS

1 has completed processing of all claims against the Receivership Entities submitted in accordance
2 with summary claims procedures previously approved by this Court. The Receiver has made
3 determinations regarding which claims he believes should be allowed, and in what amounts, and
4 which claims are subject to objection and recommended for denial, as referenced in the charts
5 attached hereto as Exhibits A and B. The Court, having considered the Receiver's Omnibus
6 Claims Motion and all related submissions filed in support of and in response thereto, and other
7 pleadings filed in this action, hereby ORDERS as follows:

- 8 1. The Receiver's Omnibus Claims Motion is hereby GRANTED;
- 9 2. The Receiver's proposed allowed and disallowed claims and proposed claim
10 amounts are approved as specifically set forth in the charts referenced in Exhibits A and B,
11 attached hereto, except as to the claims of Zhou Yan, (Claim Nos. 242a-242d.) The Zhou Yan
12 claims shall be addressed separately per the Motion for Order Approving Treatment of Zhou Yan's
13 Claims [Dkt. 590.]

14
15 Dated: 1 December, 2017


Hon. James L. Robart
Judge, United States District Court

16
17 Presented By:

18 David R. Zaro, Esq. #124334 (CA)
19 (*Pro Hac Vice Granted Oct. 26, 2015*)
20 Michael R. Farrell, Esq. #173831 (CA)
21 (*Pro Hac Vice Granted Nov. 6, 2015*)
22 Allen Matkins Leck Gamble Mallory & Natsis LLP
23 865 South Figueroa Street, Suite 2800
24 Los Angeles, CA 90017-2543
25 213.622.5555 P | 213.620.8816 F
26 E-mail: dzaro@allenmatkins.com
27 mfarrell@allenmatkins.com
28 Attorneys for Receiver

MICHAEL A. GRASSMUECK

EXHIBIT A

8/29/2017

Receiver Claims Recommendations
Proof of Claims

Claim #	Claimant	Claimed Amount	Receiver Recommendation	Proposed Allowed Amount
202	2812 Architecture	\$ 8,591.84	Deny / Assumed ¹	\$0.00
203	AAR Testing Lab	\$ 12,514.00	Allow / Assumed ²	\$ 12,514.00
204	AAT CC Bellevue	\$ 105,866.49	Allow / Assumed	\$ 105,866.49
205	AJH Developmental Services, LLC	\$ 11,600.00	Partially Allow / Disallow \$1,600 Unrelated to Receivership	\$ 10,000.00
206	AMDO Construction, LLC	\$ 170,214.98	Partially Allow	\$ 167,549.00
207a	Ascent Law Group, LLC	\$ 30,712.50	Allow / Assume	\$ 30,712.50
207b	Ascent Law Group, LLC	\$ 4,958.45	Allow / Assume	\$ 4,958.45
207c	Ascent Law Group, LLC	\$ 1,697.50	Allow	\$ 1,697.50
207d	Ascent Law Group, LLC	\$ 5,985.00	Allow	\$ 5,985.00
207e	Ascent Law Group, LLC	\$ 10,920.00	Allow	\$ 10,920.00
207f	Ascent Law Group, LLC	\$ 875.00	Allow	\$ 875.00
207g	Ascent Law Group, LLC	\$ 7,367.50	Deny - Not a Receivership Obligation / Othello	\$0.00
207h	Ascent Law Group, LLC	\$ 4,725.00	Deny - Not a Receivership Obligation / Othello	\$0.00
207i	Ascent Law Group, LLC	\$ 7,005.00	Allow	\$ 7,005.00
207j	Ascent Law Group, LLC	\$ 752.50	Allow	\$ 752.50
207k	Ascent Law Group, LLC	\$ 25,227.50	Allow / Assumed	\$ 25,227.50
207l	Ascent Law Group, LLC	\$ 980.00	Allow / Assumed	\$ 980.00
207m	Ascent Law Group, LLC	\$ 10,000.00	Deny	\$0.00
208	Bacchus Holding Inc.	\$ 216,223.12	Deny / Assumed	\$0.00
209	Bargreen Ellingson	\$ 7,472,387.13	Deny / Paid	\$0.00
210	Begum Steiner/ Faruq Ramzanalli	\$ unstated	Deny	\$0.00
211	Beijing Jialing Consulting Service Co., Ltd	\$ 57,330.00	Deny	\$0.00
212	Carsine (HK) LLC	\$ 1,548.00	Allow / Assumed	\$ 1,548.00
213	Cary Kopczynski & Co	\$ 164.25	Allow	\$ 164.25
214	Cascade Riser Management	\$ 3,270.75	Allow	\$ 3,270.75
215	City of Shoreline	\$ 100,497.30	Deny / Assumed	\$0.00
216	Comfort Systems USA Northwest, Inc (fka Merit Mechanical, Inc)	\$ unstated	Deny	\$0.00
244	David Myaskovsky	\$ 500,425.16	Partially Allow per Settlement	\$ 1,496.00
217	Department of Treasury Internal Revenue Service	\$ 1,496.00	Allow	\$ 380.00
218	Dunner Law PLLC	\$ 570.00	Allow	\$0.00
219	efelle creative	\$ Claims ownership interest	Deny - Not Debt of Receivership	\$0.00
220	EMA Investment, LLC	\$ Claims ownership interest	Allow	\$ 160,000.00
221	Eswar Eluri	\$ 6,300.00	Deny / Assumed	\$0.00
223	GLUMAC	\$ 4,475.54	Deny / Assumed	\$0.00
224	Gogert & Sons, Inc	\$ 19,904.00	Deny / Assumed	\$0.00
225	Goldfinch Brothers, Inc	\$ 7,259.76	Allow	\$ 7,259.76
226	Hampton Inn Seattle - Everett	\$ 11,906.11	Allow	\$ 11,906.11
227	Johns Monroe	\$		

1 "Deny / Assumed" - these claims are Denied because they were assumed by the PAEM Project in connection with the sale/restructuring of the Farmers Market Entities.

2 "Allow / Assumed" - these claims are associated with the Tower Project and were allowed and addressed in connection with the Tower sale/restructuring transaction. Per the Tower Sale Order, the Receiver has processed the claims in the ordinary course of the receivership. The claims will be paid and the Receiver will be reimbursed by the Tower Entities.

8/29/2017

Receiver Claims Recommendations
Proof of Claims

Claim #	Claimant	Claimed Amount	Receiver Recommendation	Proposed Allowed Amount
228a	King County Treasury Operations	\$ 2,751.00	deny / paid	\$0.00
228a	King County Treasury Operations	\$ 7,772.42	Deny / Paid	\$0.00
228a	King County Treasury Operations	\$ 1,608.37	Deny / Paid	\$0.00
228a	King County Treasury Operations	\$ 5,497.77	Deny / Paid	\$0.00
228b	King County Treasury Operations	\$ 16,439.52	Deny / Paid	\$0.00
228b	King County Treasury Operations	\$ 5,633.84	Deny / Paid	\$0.00
228b	King County Treasury Operations	\$ 3,534.85	Deny / Paid	\$0.00
229	KPFF	\$ 10,832.30	Deny / Assumed \$2,958 / Deny \$7,873.54 Claimed Against Othello.	\$0.00
230	Lobsang Dargay	Claims ownership interest	Deny	\$0.00
231	Marshall & Katherine Cymbaluk Family	\$ 1,331.00	Deny	\$ 1,331.00
232a	Moss Adams LLP	\$ 37,160.00	Allow	\$ 37,160.00
232b	Moss Adams LLP	\$ 21,500.00	Allow	\$ 21,500.00
232c	Moss Adams LLP	\$ 1,165.00	Allow / Assumed	\$ 1,165.00
232d	Moss Adams LLP	\$ 7,500.00	Allow	\$ 7,500.00
232e	Moss Adams LLP	\$ 5,445.00	Allow / Assumed	\$ 5,445.00
233	Newbanks, Inc	\$ 6,300.00	Deny	\$0.00
247	Pacific Coast Electrical Contractors, Inc	\$ 491,152.50	Deny / Assumed	\$0.00
234	Pellico Construction, Inc	\$ 45,680.00	Allow / Assumed	\$ 2,665.00
235	Perkins Cole, LLP	\$ 27,688.00	Allow / Assumed	\$ 27,688.00
236	Quality Press, Inc	\$ 311.25	Allow	\$ 311.25
237	Shohomish County Treasurer M/S #501	\$ 5,993.62	Allow	?
238	Thomas Baker	\$ 226,700.85	Deny	\$0.00
239	US Securities and Exchange Commission	Unstated	Allow / Satisfied Through Receiver's Distributions	
245	Veris Law Group, PLLC	\$ 5,184.00	Allow / Assumed	\$ 5,184.00
240a	Voya Insurance and Annuity Company	\$ 27,588,209.86	Deny / Assumed	\$0.00
240b	Voya Insurance and Annuity Company	\$ 1,328,000.00	Deny	\$0.00
246	WA State Dept of Labor and Industries	\$ 5,186.76	Deny	\$0.00
241	WSDOT Toll Division	\$ 187.85	Allow	\$ 187.85
242a	Zhou-Yan	\$ 154,000.00	Deny	\$0.00
242b	Zhou-Yan	\$ 77,084.38	Deny	\$0.00
242c	Zhou-Yan	Claims ownership interest	Deny	\$0.00
242d	Zhou-Yan	\$ 1,397,596.00	Deny	\$0.00
243	Zizhen Shen (Jane)	\$ 546,363.50	Partially Allow	\$ 500,000.00
248	Toyota Motor Credit Corporation c/o Becket & Lee LLP	\$ 4,447.36	Allow	\$ 4,447.36
		TOTAL CLAIMS	TOTAL ALLOWED	
		\$ 40,862,007.38		\$ 1,185,652.27

EXHIBIT B

8/29/2017

Receiver Tower Project Claims Recommendations
 Opt-Outs / Tower Claims

Claimant	Claimed Amount	Receiver Recommendation	Proposed Allowed Amount
Quionglin Miao	\$ 250,000.00		\$ 250,000.00
Lin Li	\$ 250,000.00		\$ 250,000.00
TingXuan Wang	\$ 250,000.00		\$ 250,000.00
Chang Ding	\$ 250,000.00		\$ 250,000.00
Mingjie Yu	\$ 250,000.00		\$ 250,000.00
Ting Ji	\$ 250,000.00		\$ 250,000.00
Shuxia Li	\$ 250,000.00		\$ 250,000.00
Shengli Ding	\$ 250,000.00		\$ 250,000.00
Guthua Li	\$ 250,000.00		\$ 250,000.00
Ning Han	\$ 250,000.00		\$ 250,000.00
Tower LLC	\$ -	Allow per Tower Sale Order	\$ 6,381,300.00
Tower LLC	\$ -	Allow per Tower Sale Order	\$ 500,000.00
		TOTAL CLAIMS	\$ 9,381,300.00

CERTIFICATE OF SERVICE

I hereby certify that on November 30, 2017, I caused the foregoing document to be electronically filed with the Clerk of the Court using the CM/ECF system which will send notification of the filing to all counsel of record.

Dated: November 30, 2017

s/ David R. Zaro

David R. Zaro, Esq. #124334 (CA)

(Pro Hac Vice Granted October 26, 2015)